Update on Administrative Furlough

19 February 2013

Overview

- Potential for **administrative** furloughs should sequestration occur March 1
  - Impacts all Navy civilians employees with rare exceptions
- Congressional (and union) notification of potential for furloughs week of Feb 19
- Employees potentially begin furloughs late-April
  - Impacted employees will receive 30 days notification

Notification — Potential Administrative Furlough

- Administrative vs. shutdown furlough
  - Administrative furloughs are planned – virtually **all** employees subject to furlough
  - Shutdown/emergency furloughs are unplanned and result from a lapse in funding. “Mission critical” employees excepted under emergency furloughs **do not** apply in administrative furlough
- 80% capacity and manning coverage across the DON – mission driven

Employees Subject to Administrative Furlough

- Nearly all employees subject to furlough – minimal exceptions:
  - Civilians deployed in combat zone
  - Safety of life or property – only to extent needed to prevent unacceptable risk or catastrophic gaps in the safety and protection of life or property
    - Note: all medical service civilian employees would be subject to furlough except those that provide 24-hour inpatient care or emergency service, and personnel providing ancillary services directly supporting the 24-hour inpatient care and emergency services
  - Employees funded 100% with non-appropriated funds
  - Employees exempt by law (Presidential appointees not eligible for leave)
  - Foreign nationals only if furlough exceptions are required by SOFA

Note: only **rare** exceptions; require approval by SECNAV and OSD (P&R)

General Furlough Planning

- Limited to up to 176 hours – ≤22 workdays through end of FY
  - ~16 hours/pay period
- Benefits & TSP – varies and depends on plan (*see backup slides*)
- BSO Commanders determine hours/time dependent upon mission requirements
  - BSO Commanders may delegate the coordination and scheduling of furloughs to carry out mission requirements
  - Note: scheduling of furlough days is subject to local bargaining requirements
- Commands & USMC prohibited from using contract funding or premium pay (comp or overtime) to offset furloughs
- Commands may **not** transfer inherently governmental work to contractors
- Furloughed employees prohibited from working from home or on-site on furlough days — employees may not volunteer
- Furloughed employees may **not** substitute paid leave or other time off for furlough time

Furlough Information - Employees

- Pay – ~20% reduction in base & locality pay through end of FY
  - May have insufficient pay to cover employee deductions (refer to Order of Precedence for deduction, http://www.servicelocator.org/OWSLinks.asp)
- Leave accrual – furlough treated like leave without pay (LWOP) for leave accrual and benefit purposes
  - After each segment of 80 furlough hours, annual and sick leave not earned in that pay period; repeated for every 80 hours furloughed
- Impact on high 3 for computing retirement annuity — generally no effect
- Within Grade Increases (WGIs) – depends on length of furlough and employee waiting period
- Holidays – if a furlough includes both the last workday before the holiday and the first workday after the holiday, employees will not receive holiday pay
- Outside employment – must adhere to federal ethics requirements
- Severance pay — no
- Unemployment compensation — depends on state requirements

Taking care of people

- Civilian workforce incredibly talented and dedicated
  - Support available 24/7 – contact info posted at www.chaplaincare.navy.mil/
  - Military Family Life Consultants: Duty Cells: 571-581-8016 and 703-414-9883
- Civilian impact from fiscal uncertainty and potential furlough
  - Fiscal hardship for employees dedicated to public service
  - 80% capacity and manning coverage
- Leadership committed to keeping employees informed
  - FAQs – distributed to command HR offices by OCHR
  - Fact sheets – distributed to command PA offices
  - Briefings

Questions

Check with Command HR office

DONhrFAQ@navy.mil

https://www.portal.navy.mil/donhr/OCHRHQ/Pages/Furlough.aspx

Benefits Coverage & Entitlements Continue

- Federal Employees' Group Life Insurance (FEGLI) (reduced salary equals reduced coverage & premiums)
- Federal Employees' Health Benefits (FEHB) (premiums do not change if reduced salary)
- Federal Employees' Dental and Vision Insurance Program (FEDVIP)
  - premiums do not change if reduced salary
  - after two consecutive pay periods of nonpayment, BENEFEDS will bill employee direct
- Federal Long Term Care Insurance Program (FLTCIP)
  - premiums do not change if reduced salary
  - after three consecutive pay periods of non payment, contractor will bill employee direct
- Federal Flexible Spending Accounts (FSAFEDS) (if adjusted salary sufficient to cover contributions)
  - Reimbursements continue for eligible health care expenses if allotment is withheld
  - If health care allotments are not withheld, employee remains enrolled, but eligible expenses will not be reimbursed until allotments are successfully restarted
  - Reimbursement continues for eligible dependent care expenses if allotment is withheld
  - If dependent care allotments are not withheld, employee is reimbursed up to whatever balance is in the employee's dependent care account, as long as the expense incurred during the non-pay status allows the employee (or spouse if married) to work, look for work or attend school full-time.
  - If allotments are not withheld, allotments are recalculated over the remaining pay periods to match the employee's annual elected amount.

TSP Reminders

- If elected a percentage of basic pay, contribution will be based on the reduced basic pay earned
- If elected a whole dollar amount, the amount will be withheld; if amount exceeds the net pay for the pay period, no employee contribution will be made
- Agency Automatic (1%) Contributions for FFERS employees will be determined using the reduced basic pay earned
- Agency Matching Contributions for FERS employees will be determined using the earned basic pay
- If an employee is furloughed for an entire pay period, the TSP employee and agency contributions are not made for that pay period
- Loan payments will be withheld providing sufficient salary is available; loans are not in default until the employee has missed more than 2½ payments (https://www.tsp.gov/PDF/formspubs/oc95-4.pdf)